

## EXHIBIT F

cc: Judge

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
October 2006 Grand Jury

UNITED STATES OF AMERICA,  
Plaintiff,  
v.  
MILBERG WEISS LLP,  
MELVYN I. WEISS,  
SEYMOUR M. LAZAR, and  
PAUL T. SELZER,  
Defendants.

CR 05-587(D) -JFW

S E C O N D  
S U P E R S E D I N G  
I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy;  
18 U.S.C. § 1962(d):  
Racketeering Conspiracy;  
18 U.S.C. §§ 1341 & 1346: Mail  
Fraud; 18 U.S.C. § 1956(h):  
Money Laundering Conspiracy; 18  
U.S.C. § 1956(a)(1)(B)(i):  
Money Laundering; 26 U.S.C.  
§ 7206(1): Subscribing to False  
Tax Return; 18 U.S.C. § 1503:  
Obstruction of Justice; 18  
U.S.C. § 1001: False Statements;  
18 U.S.C. § 2: Aiding and  
Abetting and Causing an Act to  
be Done; 28 U.S.C. § 2461(c), 18  
U.S.C. § 981(a)(1)(C) & 21 U.S.C.  
§ 853: Criminal Forfeiture;  
18 U.S.C. § 1963: Criminal  
Forfeiture; 18 U.S.C.  
§ 982(a)(1) & 21 U.S.C. § 853:  
Criminal Forfeiture]

2007 SEP 20 PM 2:32  
CENTRAL DISTRICT OF CALIF.  
LOS ANGELES  
BY: [Signature]

FILED

DAA:RER:RJM  
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1 The Grand Jury charges:

2 INTRODUCTORY ALLEGATIONS

3 I. DEFENDANTS

4 1. At all times relevant to this Indictment, defendant  
5 MILBERG WEISS LLP, formerly known as "Milberg Weiss Bershad &  
6 Schulman LLP," "Milberg Weiss Bershad Hynes & Lerach LLP,"  
7 "Milberg Weiss Bershad Specthrie & Lerach," and "Milberg Weiss  
8 Bershad & Specthrie" ("MILBERG WEISS"), was a New York law firm  
9 partnership with principal offices in New York, New York and,  
10 through on or about May 1, 2004, San Diego, California. At all  
11 times relevant to this Indictment, MILBERG WEISS represented  
12 plaintiffs in class actions and shareholder derivative actions in  
13 federal and state courts throughout the United States, including  
14 in the Central District of California.

15 2. Defendant MELVYN I. WEISS ("WEISS") co-founded  
16 MILBERG WEISS with Lawrence Milberg in or before 1972. At all  
17 times relevant to this Indictment, WEISS was a name partner in  
18 MILBERG WEISS. During the times relevant to this Indictment,  
19 WEISS resided primarily in New York and worked primarily in  
20 MILBERG WEISS's New York office. During the years 1983 through  
21 2005, WEISS owned between 13.5% and 39.4% of the firm, and his  
22 share of MILBERG WEISS's profits totaled approximately \$209.9  
23 million.

24 3. During the times relevant to this Indictment, defendant  
25 WEISS possessed substantial control over the management and  
26 conduct of MILBERG WEISS's business affairs. Prior to on or  
27 about January 1, 1999, WEISS, as an original managing partner,  
28 possessed the authority to veto any proposed action or decision

1 affecting the operation or management of MILBERG WEISS, including  
2 deciding who became a partner in MILBERG WEISS and how much they  
3 earned. Between on or about January 1, 1999 and May 1, 2004,  
4 WEISS, as Co-Chair of MILBERG WEISS's Executive Committee, shared  
5 final decision-making authority over all actions or decisions  
6 affecting the operation or management of the firm. After on or  
7 about June 16, 2004, WEISS again possessed the authority to veto  
8 any action or decision affecting MILBERG WEISS.

9 4. At all times relevant to this Indictment, defendant  
10 SEYMOUR M. LAZAR ("LAZAR") resided in Palm Springs, California;  
11 owned and controlled substantial real property throughout  
12 Riverside County, California, and elsewhere; and was an active  
13 purchaser and seller of publicly traded stocks. Beginning in or  
14 about 1976 and continuing through at least in or about 2004,  
15 LAZAR and certain of his family members frequently served as  
16 plaintiffs in class actions and shareholder derivative actions  
17 brought and caused to be brought by MILBERG WEISS, WEISS, and  
18 others.

19 5. At all times relevant to this Indictment, defendant  
20 PAUL T. SELZER ("SELZER") was a California lawyer residing in  
21 Palm Springs, California. Prior to in or about July 1995, SELZER  
22 was a partner in a law firm that maintained offices in Palm  
23 Springs and elsewhere in California (the "Palm Springs Law  
24 Firm"), which specialized in real estate, business, and municipal  
25 law. In or about July 1995, SELZER left the Palm Springs Law  
26 Firm to co-found a small law firm in Palm Springs, California  
27 (the "Selzer Law Firm"), where he was a partner through in or  
28 about 2004. At all times relevant to this Indictment, SELZER,

1 the Palm Springs Law Firm, and the Selzer Law Firm provided legal  
2 services to defendant LAZAR relating to his business and real  
3 estate holdings and other personal affairs. SELZER specialized  
4 in non-litigation matters and had no expertise in litigating  
5 class actions or shareholder derivative actions; the other  
6 attorneys at the Palm Springs and Selzer Law Firms likewise had  
7 little if any experience in litigating class actions or  
8 shareholder derivative actions.

9 **II. OTHER INDIVIDUALS**

10 6. During the times relevant to this Indictment,  
11 William S. Lerach ("Lerach"), David J. Bershad ("Bershad"),  
12 Steven G. Schulman ("Schulman"), "Partner E," "Partner F," and  
13 "Partner G" were senior partners in MILBERG WEISS.

14 7. During the times relevant to this Indictment,  
15 Howard J. Vogel ("Vogel") worked primarily as a commercial real  
16 estate mortgage broker. Between in or about 1991 and 2005,  
17 Vogel, certain of his family members, and entities he controlled  
18 frequently served as plaintiffs in class actions and shareholder  
19 derivative actions brought and caused to be brought by  
20 MILBERG WEISS, WEISS, and others.

21 8. Prior to in or about May 1989, Steven G. Cooperman  
22 ("Cooperman") was a licensed ophthalmologist. Between in or  
23 about 1988 and 1998, Cooperman and certain of his relatives and  
24 associates, including "Cooperman Plaintiff 1" and "Cooperman  
25 Plaintiff 2," frequently served as plaintiffs in class actions  
26 and shareholder derivative actions brought and caused to be  
27 brought by MILBERG WEISS, WEISS, and others.

28 / / /

1        9. Beginning in or before 1983 and continuing through at  
2 least in or about 1999, three individuals who resided, at times,  
3 in Florida ("Florida Plaintiff 1," "Florida Plaintiff 2," and  
4 "Florida Plaintiff 3"; collectively the "Florida Plaintiffs")  
5 frequently served as plaintiffs in class actions and shareholder  
6 derivative actions brought and caused to be brought by  
7 MILBERG WEISS, WEISS, and others.

8 **III. CLASS ACTIONS AND SHAREHOLDER DERIVATIVE ACTIONS**

9 **A. Overview**

10        10. The term "class action" refers to a certain type of  
11 civil lawsuit in which a court authorizes a named plaintiff to  
12 represent and litigate claims on behalf of unnamed class members  
13 who are not actually before the court (referred to as "absent  
14 class members").

15        11. Class actions often are brought to address allegations  
16 of fraud; breaches of certain legal duties of fidelity, trust,  
17 and loyalty (known as "fiduciary duties"); and other financial  
18 wrongdoing affecting publicly traded companies. Class actions  
19 also often are brought to address allegations that a consumer  
20 product or service was defective, deceptively represented, or  
21 illegally priced.

22        12. A judgment in a class action (whether the result of a  
23 trial or a settlement) typically binds absent class members who  
24 do not expressly notify the court that they wish to "opt out" of  
25 the litigation.

26        13. The term "shareholder derivative action" refers to a  
27 certain type of civil lawsuit in which a named plaintiff, who is  
28 a shareholder in a corporation, is authorized by a court to



1 represent the interests of other shareholders of the corporation,  
2 as well as the corporation itself, in seeking the adjudication of  
3 rights and obligations of the corporation. As in a class action,  
4 a judgment in a shareholder derivative action typically binds  
5 unnamed shareholders who are not before the court.

6 14. Before a judgment in a class action or shareholder  
7 derivative action may bind absent class members or shareholders,  
8 a named plaintiff and the attorneys who seek to represent absent  
9 class members or shareholders have to demonstrate to the court's  
10 satisfaction, among other things, that: (a) the named plaintiff's  
11 claims are "typical" of the claims of the absent class members or  
12 shareholders; (b) the named plaintiff has no material interest in  
13 the outcome of the action that is antagonistic to, or in conflict  
14 with, the interests of the absent class members or shareholders;  
15 (c) the named plaintiff is not subject to unique defenses that  
16 could become the focus of the litigation to the detriment of the  
17 absent class members or shareholders; and (d) the named  
18 plaintiff's attorneys will be able to fairly and adequately  
19 represent the interests of the absent class members or  
20 shareholders.

21 15. The court's determination that a lawsuit may proceed  
22 as a class action or shareholder derivative action is referred to  
23 as the "certification" of the action.

24 **B. Benefits of Securing "Lead Counsel" Status**

25 16. In many class actions and shareholder derivative  
26 actions, more than one named plaintiff and more than one lawyer  
27 or law firm seek to represent, and are approved by the court to  
28 represent, the interests of absent class members or shareholders.

1 In such cases, the lawyers and law firms often compete to be  
2 appointed by the court as "lead counsel" or "co-lead counsel" for  
3 the absent class members or shareholders. A lawyer or law firm  
4 that is appointed as lead or co-lead counsel typically has power  
5 and responsibility, among other things, to: (a) coordinate the  
6 overall litigation strategy; (b) assign the work to be done on  
7 the case among lawyers and law firms who have been approved to  
8 represent the class members or shareholders; and (c) in some  
9 cases, determine the division of attorneys' fees awarded by the  
10 court among the lawyers and law firms who have worked on the  
11 case.

12 C. Fiduciary Duties of Named Plaintiffs and  
13 Their Attorneys

14 17. Because the conduct and decisions of a named plaintiff  
15 in a class action or shareholder derivative action affect the  
16 interests and rights of class members or shareholders who are not  
17 before the court, the named plaintiff owes these absent class  
18 members or shareholders certain fiduciary duties. As a result of  
19 these legally imposed duties, a named plaintiff, among other  
20 things: (a) may not place his or her own interests above those of  
21 absent class members or shareholders; (b) may not act in a  
22 deceitful or unethical manner toward the court or the absent  
23 class members or shareholders; and (c) is required to disclose to  
24 the court any fact that reasonably could affect his or her  
25 ability to fairly or adequately represent the interests of the  
26 absent class members or shareholders.

27 18. The named plaintiff's attorneys in a class action or  
28 shareholder derivative action also owe the absent class members  
or shareholders fiduciary duties. As a result of these legally

1 imposed duties, the named plaintiff's attorneys, among other  
2 things: (a) may not give preferential treatment to the interests  
3 of the named plaintiff over the interests of the absent class  
4 members or shareholders; (b) may not act in a deceitful or  
5 unethical manner toward the court or the absent class members or  
6 shareholders; and (c) are required to disclose to the court any  
7 fact that reasonably could affect the attorneys' ability to  
8 fairly or adequately represent the interests of the absent class  
9 members or shareholders.

10 **D. Court Approval of Settlements and Awards of**  
11 **Attorneys' Fees**

12 19. Courts presiding over class actions or shareholder  
13 derivative actions are obligated to protect the rights and  
14 interests of the absent class members or shareholders. As a  
15 result, a presiding court is required to scrutinize any proposed  
16 settlement of a class action or shareholder derivative action and  
17 may approve such a settlement only if the court first determines  
18 that the settlement is fair to absent class members or  
19 shareholders.

20 20. The named plaintiff's attorneys in class actions often  
21 seek to obtain their attorneys' fees from the recovery obtained  
22 for the class in the lawsuit; in shareholder derivative actions  
23 they often seek to obtain their attorneys' fees from the  
24 corporation. The attorneys' fees in such instances are paid,  
25 directly or indirectly, from proceeds that otherwise would be  
26 available to the absent class members or shareholders. Courts  
27 presiding over class actions or shareholder derivative actions  
28 are obligated, on behalf of the absent class members or  
shareholders, to scrutinize any request for attorneys' fees to

1 ensure its fairness and reasonableness. Consistent with their  
2 fiduciary duties, the named plaintiff's attorneys are required,  
3 as part of any request for attorneys' fees, to disclose to the  
4 court all facts that reasonably could bear on their entitlement  
5 to the requested fees.

6 **E. Limitations on Compensation of Named Plaintiffs**

7 21. The compensation that may be paid to a named plaintiff  
8 in a class action or shareholder derivative action is limited to  
9 the following: (a) the named plaintiff's pro rata share of the  
10 recovery obtained in the lawsuit, calculated on the same basis as  
11 the pro rata shares available to all of the absent class members  
12 or shareholders; and (b) his or her reasonable costs and expenses  
13 incurred in connection with the lawsuit, as approved by the  
14 court. Additionally, in some circumstances, the court presiding  
15 over such a lawsuit may award a modest bonus payment to the named  
16 plaintiff, in recognition of his or her effort in obtaining a  
17 beneficial result for the absent class members or shareholders.  
18 Such a bonus payment may be awarded only if it is first disclosed  
19 to absent class members or shareholders, and only after the  
20 absent class members or shareholders have an opportunity to  
21 object to the bonus award.

22 22. Because a named plaintiff acts as a fiduciary toward  
23 absent class members or shareholders and is required to remain  
24 free of any material conflict of interest toward them, the named  
25 plaintiff may not have any financial interest in the outcome of a  
26 class action or shareholder derivative action lawsuit other than  
27 those described above.

28 / / /

1 **IV. DEFENDANTS' SECRET AND ILLEGAL KICKBACK SCHEME IN CLASS**  
2 **ACTIONS AND SHAREHOLDER DERIVATIVE ACTIONS**

3 23. During the time relevant to this Indictment,  
4 MILBERG WEISS brought numerous class actions and shareholder  
5 derivative actions against publicly traded companies and other  
6 major businesses. These lawsuits generated hundreds of millions  
7 of dollars in attorneys' fees and partnership profits for  
8 MILBERG WEISS and WEISS. To bring these lawsuits, MILBERG WEISS  
9 and WEISS needed persons who would agree to serve as named  
10 plaintiffs and whom the courts would likely approve to represent  
11 absent class members or shareholders.

12 24. Beginning in or before 1979 and continuing through at  
13 least in or about 2005, in order to facilitate the recruitment of  
14 named plaintiffs, defendants MILBERG WEISS and WEISS, together  
15 with Lerach, Bershad, Schulman, Partner E, Partner F, and  
16 Partner G (collectively the "Conspiring Partners"), agreed to and  
17 did secretly pay kickbacks to named plaintiffs in class actions  
18 and shareholder derivative actions in which MILBERG WEISS served  
19 as counsel. Specifically, they agreed to and did pay to certain  
20 named plaintiffs a substantial portion of the attorneys' fees  
21 MILBERG WEISS obtained in actions in which such an individual  
22 served, or caused a relative or associate to serve, as a named  
23 plaintiff for MILBERG WEISS.

24 25. Included among the individuals who served as named  
25 plaintiffs for MILBERG WEISS pursuant to the kickback scheme  
26 described above are defendant LAZAR; Vogel; Cooperman and two of  
27 his associates, Cooperman Plaintiff 1 and Cooperman Plaintiff 2;  
28 and the Florida Plaintiffs. These individuals are each referred  
to as a "Paid Plaintiff," and collectively as the "Paid

1 Plaintiffs." The class actions and shareholder derivative  
2 actions in which the Paid Plaintiffs served, or caused their  
3 spouses or entities they controlled to serve, as named plaintiffs  
4 for MILBERG WEISS pursuant to the kickback scheme described above  
5 are referred to as the "Lawsuits."

6 26. During the times relevant to this Indictment, these  
7 kickback arrangements with and kickback payments to the Paid  
8 Plaintiffs were illegal and improper for the following reasons,  
9 among others: (a) under applicable New York law, it is a criminal  
10 offense for an attorney to promise or give anything of value to  
11 induce a person to bring a lawsuit, or to reward a person for  
12 having done so; (b) under applicable New York law, it is a  
13 criminal offense to pay a fiduciary, without the consent of those  
14 to whom he or she owes fiduciary duties, with the intent to  
15 influence his or her conduct as a fiduciary; and (c) under  
16 applicable New York and California laws, lawyers may not share  
17 attorneys' fees with persons who are not duly licensed to  
18 practice law. Additionally, the kickback arrangements created a  
19 conflict of interest between the Paid Plaintiffs and those to  
20 whom they owed fiduciary duties because, as a result of the  
21 kickback arrangements, the Paid Plaintiffs had a greater interest  
22 in maximizing the amount of attorneys' fees awarded to  
23 MILBERG WEISS than in maximizing the net recovery to the absent  
24 class members and shareholders.

25 27. To conceal their illegal kickback arrangements from the  
26 courts presiding over the Lawsuits, the other parties to the  
27 Lawsuits, and the absent class members and shareholders whose  
28 interests they purported to represent in the Lawsuits,



1 MILBERG WEISS, WEISS, LAZAR, the other Conspiring Partners, the  
2 other Paid Plaintiffs, and others engaged and caused others to  
3 engage in various fraudulent and deceptive acts, practices, and  
4 devices. Among other things, they made and caused others to make  
5 false and misleading statements, and omitted and caused others to  
6 omit material facts, in complaints, motions, certifications,  
7 declarations, and other documents filed in the Lawsuits, and in  
8 depositions and other discovery of the Paid Plaintiffs taken in  
9 the Lawsuits. Additionally, MILBERG WEISS, WEISS, the other  
10 Conspiring Partners, and others concealed and disguised the  
11 illegal kickbacks by, among other things, paying the kickbacks to  
12 Paid Plaintiffs in cash and through intermediary law firms and  
13 lawyers selected by Paid Plaintiffs (hereinafter the  
14 "Intermediary Lawyers"), who then used and disbursed the payments  
15 at the direction, and for the benefit, of the Paid Plaintiffs.

16 28. The Intermediary Lawyers included: (a) SELZER, the  
17 Palm Springs Law Firm, the Selzer Law Firm, other attorneys and  
18 their associated law firms in Los Angeles, California ("Lazar  
19 Intermediary A"), Portland, Oregon ("Lazar Intermediary B"),  
20 Santa Ana, California ("Lazar Intermediary C"), and Wichita,  
21 Kansas ("Lazar Intermediary D"), and a Los Angeles entertainment  
22 lawyer ("Lazar Intermediary E"), all of whom acted as  
23 intermediary lawyers for LAZAR; (b) attorneys in Denver, Colorado  
24 and New York, New York, and their associated law firms ("Vogel  
25 Intermediary A" and "Vogel Intermediary B," respectively), who  
26 acted as intermediary lawyers for Vogel; and (c) Richard Purtich  
27 and his associated law firms ("Purtich") and James Tierney  
28 ("Tierney"), who acted as intermediary lawyers for Cooperman.

1           29. The concealment of the secret and illegal kickback  
2 arrangements and payments from the courts presiding over the  
3 Lawsuits influenced, obstructed, and impeded the ability of those  
4 courts to assess and determine: (a) the appropriateness of  
5 approving the Lawsuits to proceed as class actions or shareholder  
6 derivative actions; (b) the ability of the Paid Plaintiffs, their  
7 spouses, and the entities they controlled to fairly and  
8 adequately represent the interests of the absent class members or  
9 shareholders; (c) the ability of MILBERG WEISS, WEISS, and the  
10 other Conspiring Partners to fairly and adequately represent the  
11 interests of the absent class members or shareholders; (d) the  
12 fairness of settlements proposed by MILBERG WEISS, WEISS, the  
13 other Conspiring Partners, and the Paid Plaintiffs in the  
14 Lawsuits; and (e) whether and the extent to which MILBERG WEISS  
15 should be awarded the attorneys' fees sought in the Lawsuits.

16           30. The concealment of the secret and illegal kickback  
17 arrangements and payments also deprived the absent class members  
18 and shareholders in each of the Lawsuits of:

19           (a) the honest services of MILBERG WEISS, WEISS, LAZAR,  
20 the other Conspiring Partners, and the other Paid Plaintiffs,  
21 including: (i) the services of a named plaintiff who was free  
22 from any conflict of interest that might impair his or her  
23 ability to fairly and adequately represent their interests;  
24 (ii) the services of attorneys who were able to fairly and  
25 adequately represent their interests without preference to the  
26 interests of a named plaintiff; and (iii) the services of a named  
27 plaintiff and attorneys who would not act in a deceitful,  
28 unethical, or unlawful manner toward them or the court;



1 (b) material economic information that affected their  
2 right and ability to influence and control class actions and  
3 shareholder derivative actions brought on their behalf; and

4 (c) the amount of any kickback that MILBERG WEISS paid  
5 using attorneys' fees obtained in the Lawsuit.

6 **V. SUMMARY OF KICKBACK PAYMENTS**

7 31. Beginning in or before 1976 and continuing through at  
8 least in or about 2004, LAZAR served, and caused his relatives  
9 and an entity he controlled to serve, as named plaintiffs in  
10 approximately sixty-seven lawsuits for MILBERG WEISS. In total,  
11 MILBERG WEISS, WEISS, and others made and caused to be made  
12 approximately \$2.6 million in secret and illegal kickback  
13 payments for the benefit of LAZAR.

14 32. Beginning in or about 1991 and continuing through at  
15 least in or about 2005, Vogel served, and caused his relatives  
16 and an entity he controlled to serve, as named plaintiffs in  
17 approximately forty lawsuits for MILBERG WEISS. In total,  
18 MILBERG WEISS, WEISS, and others made and caused to be made  
19 approximately \$2.5 million in secret and illegal kickback  
20 payments for the benefit of Vogel.

21 33. Beginning in or about 1988 and continuing through at  
22 least in or about 1999, Cooperman served, and caused his  
23 relatives and associates to serve, as named plaintiffs in  
24 approximately seventy lawsuits for MILBERG WEISS. In total,  
25 MILBERG WEISS, WEISS, and others made and caused to be made more  
26 than \$6.2 million in secret and illegal kickback payments for the  
27 benefit of Cooperman, Cooperman Plaintiff 1, and Cooperman  
28 Plaintiff 2.

1        34. Beginning in or before 1983 and continuing through at  
2 least in or about 1999, the Florida Plaintiffs served as named  
3 plaintiffs in more than approximately 60 lawsuits for MILBERG  
4 WEISS. In total, MILBERG WEISS, WEISS, and others paid and  
5 caused to be paid hundreds of thousands of dollars in cash to the  
6 Florida Plaintiffs.

7        35. During the period from 1979 through 2005, MILBERG WEISS  
8 obtained more than \$ 251 million in attorneys' fees in the  
9 Lawsuits and litigation resolving the Lawsuits and, together with  
10 WEISS and others, paid and caused to be paid more than  
11 approximately \$11.3 million in secret and illegal kickbacks to  
12 LAZAR, Vogel, and Cooperman. Additionally, MILBERG WEISS, WEISS,  
13 and others paid the Florida Plaintiffs hundreds of thousands of  
14 dollars in cash kickbacks.

## COUNT ONE

[Defendants MILBERG WEISS, WEISS, and LAZAR]

[18 U.S.C. § 371]

[Conspiracy]

36. The Grand Jury hereby repeats and realleges paragraphs 1 through 35 of this Indictment.

**I. THE OBJECTS OF THE CONSPIRACY**

37. Beginning in or before 1979, and continuing through at least in or about 2005, within the Central District of California and elsewhere, defendants MILBERG WEISS, MELVYN I. WEISS, and SEYMOUR M. LAZAR, together with the other Conspiring Partners, the other Paid Plaintiffs, and other persons known and unknown to the Grand Jury, knowingly combined, conspired, and agreed to commit the following offenses against the United States:

a. to commit obstruction of justice by corruptly influencing, obstructing, and impeding, and endeavoring to influence, obstruct, and impede, the due administration of justice in the Lawsuits filed and litigated in federal courts, in violation of Title 18, United States Code, Section 1503;

b. to make false material declarations under oath in proceedings before and ancillary to courts of the United States, in connection with the Lawsuits filed and litigated in federal courts, in violation of Title 18, United States Code, Section 1623(a);

c. to travel in interstate commerce and to use the mail and other facilities in interstate commerce with intent to distribute the proceeds of unlawful activity and otherwise to facilitate the promotion, management, and carrying on of such

1 unlawful activity, namely, commercial bribery of the  
2 Paid Plaintiffs, in violation of New York Penal Law  
3 Section 180.00, and thereafter to perform and attempt to perform  
4 acts to distribute the proceeds of such unlawful activity and to  
5 facilitate the promotion, management, and carrying on of such  
6 activity, in violation of Title 18, United States Code,  
7 Section 1952(a)(1), (3).

8           d. to commit mail fraud by using the United States  
9 mails and commercial interstate carriers to execute a scheme to  
10 defraud absent class members and shareholders in the Lawsuits as  
11 to a material matter, by depriving them of money and property and  
12 the honest services of MILBERG WEISS, WEISS, LAZAR, the other  
13 Paid Plaintiffs, and others, and to obtain money and property by  
14 means of material false and fraudulent pretenses,  
15 representations, and promises, in violation of Title 18, United  
16 States Code, Sections 1341 and 1346;

17           e. to commit wire fraud by using interstate wire and  
18 radio communications to execute a scheme to defraud absent class  
19 members and shareholders in the Lawsuits as to a material matter,  
20 by depriving them of money and property and the honest services  
21 of MILBERG WEISS, WEISS, LAZAR, the other Paid Plaintiffs, and  
22 others, and to obtain money and property by means of material  
23 false and fraudulent pretenses, representations, and promises, in  
24 violation of Title 18, United States Code, Sections 1343 and  
25 1346; and

26           f. to make illegal payments to a witness by giving,  
27 offering, and promising money to the Paid Plaintiffs, for and  
28 because of the testimony under oath or affirmation given and to

1 be given by the Paid Plaintiffs as a witness upon a trial,  
2 hearing, or other proceeding before a court authorized by the  
3 laws of the United States to hear evidence or take testimony in  
4 the Lawsuits, filed or litigated in federal courts, in violation  
5 of Title 18, United States Code, Section 201(c)(2).

6 **II. MANNER AND MEANS OF THE CONSPIRACY**

7 38. The objects of the conspiracy were carried out in the  
8 manner and by the means described below, among others.

9 39. MILBERG WEISS, WEISS, the other Conspiring Partners,  
10 and others arranged for the Paid Plaintiffs to serve, and to  
11 cause relatives and associates to serve, as named plaintiffs in  
12 class actions and shareholder derivative actions in which  
13 MILBERG WEISS served as counsel.

14 40. As an inducement to the Paid Plaintiffs to serve, and  
15 to induce them to cause relatives and associates to serve, as  
16 named plaintiffs, MILBERG WEISS, WEISS, the other Conspiring  
17 Partners, and others offered, promised, and agreed secretly to  
18 pay the Paid Plaintiffs kickbacks consisting of a portion of the  
19 attorneys' fees that MILBERG WEISS expected to obtain in each  
20 action in which the respective Paid Plaintiff served, or caused a  
21 relative or associate to serve, as a named plaintiff.

22 41. In the course of the Lawsuits, MILBERG WEISS, WEISS,  
23 LAZAR, the other Conspiring Partners, the other Paid Plaintiffs,  
24 and others engaged in, and caused each other to engage in,  
25 various fraudulent and deceptive acts, practices, and devices,  
26 including the following:

27 a. MILBERG WEISS, WEISS, LAZAR, the other Conspiring  
28 Partners, the other Paid Plaintiffs, and others concealed their

1 illegal kickback arrangements from the courts presiding over, the  
2 other parties to, and the absent class members and shareholders  
3 in the Lawsuits;

4           b. MILBERG WEISS, WEISS, LAZAR, the other Conspiring  
5 Partners, other Paid Plaintiffs, and others made and caused to be  
6 made false and misleading representations in: (i) complaints to  
7 initiate and maintain the Lawsuits; (ii) motions seeking court  
8 approval for the Lawsuits to proceed as class actions or  
9 shareholder derivative actions; and (iii) motions seeking court  
10 approval of MILBERG WEISS and the Paid Plaintiffs or their  
11 spouses or entities they controlled to represent absent class  
12 members or shareholders in the Lawsuits. Specifically, they  
13 caused to be represented in these pleadings that the Paid  
14 Plaintiffs or their spouses or entities they controlled had no  
15 interest in conflict with, or antagonistic to, absent class  
16 members or shareholders in the Lawsuits, and that MILBERG WEISS  
17 and the Paid Plaintiffs or their spouses or associated entities  
18 would fairly and adequately represent their interests. In truth  
19 and in fact, as MILBERG WEISS, WEISS, LAZAR, the other Conspiring  
20 Partners, the other Paid Plaintiffs, and others well knew, the  
21 interests of the Paid Plaintiffs, their spouses, or entities they  
22 controlled conflicted with those of absent class members or  
23 shareholders because, as a result of their secret and illegal  
24 kickback arrangements, they had a greater interest in maximizing  
25 the amount of attorneys' fees awarded to MILBERG WEISS than in  
26 maximizing the net recovery to the absent class members or  
27 shareholders. Additionally, as a result of the secret and  
28 illegal kickback arrangements, MILBERG WEISS, WEISS, and the



1 other Conspiring Partners improperly favored the financial  
2 interests of the Paid Plaintiffs or their spouses or associated  
3 entities over the interests of the absent class members or  
4 shareholders.

5           c. In under-oath testimony given in connection with  
6 the Lawsuits and in written certifications, declarations, and  
7 other documents signed under penalty of perjury in the Lawsuits,  
8 LAZAR and other Paid Plaintiffs, acting in concert with  
9 MILBERG WEISS, WEISS, the other Conspiring Partners, and others,  
10 falsely denied that they had ever received, or expected to  
11 receive, any payment for serving as a named plaintiff other than  
12 their pro rata share of the recovery based on the same terms as  
13 the pro rata shares available to all of the absent class members  
14 or shareholders. In truth and in fact, as MILBERG WEISS, WEISS,  
15 LAZAR, the other Conspiring Partners, the other Paid Plaintiffs,  
16 and others well knew, in return for serving as named plaintiffs  
17 the Paid Plaintiffs had received and expected to receive kickback  
18 payments from MILBERG WEISS that substantially exceeded any pro  
19 rata share of the recovery they received, or could expect to  
20 receive, based on the terms used to determine the pro rata shares  
21 available to all of the absent class members or shareholders in  
22 the Lawsuits.

23           d. MILBERG WEISS, WEISS, LAZAR, the other Conspiring  
24 Partners, the other Paid Plaintiffs, and others caused the  
25 Lawsuits to be settled in a manner that often would generate  
26 substantial attorneys' fees for MILBERG WEISS, while concealing  
27 from the courts approving these settlements, and from the absent  
28 class members or shareholders on whose behalf the settlements

1 were being negotiated, their secret and illegal kickback  
2 arrangements.

3 e. MILBERG WEISS, WEISS, LAZAR, the other Conspiring  
4 Partners, the other Paid Plaintiffs, and others caused to be  
5 filed motions in the Lawsuits seeking the awards of attorneys'  
6 fees to MILBERG WEISS, in which they concealed from the courts  
7 awarding attorneys' fees, and the absent class members or  
8 shareholders, their illegal kickback arrangements under which the  
9 awarded attorneys' fees secretly would be shared with the Paid  
10 Plaintiffs.

11 42. In the course of certain of the securities fraud class  
12 action Lawsuits, MILBERG WEISS, Vogel, Cooperman Plaintiff 1,  
13 Cooperman Plaintiff 2, certain of the Conspiring Partners, and  
14 others engaged in, and caused each other to engage in, additional  
15 fraudulent and deceptive acts, practices, and devices, including  
16 the following:

17 a. MILBERG WEISS and certain of the Conspiring  
18 Partners falsely represented and caused to be falsely represented  
19 in complaints and other pleadings filed in such Lawsuits that the  
20 Paid Plaintiffs' claims were typical of the claims of the members  
21 of the class and that the Paid Plaintiffs relied on the allegedly  
22 false and misleading statements made by the defendants in the  
23 Lawsuits when purchasing the securities at issue in the Lawsuits.  
24 In truth and in fact, as they well knew, the Paid Plaintiffs'  
25 claims in such Lawsuits were not typical of the claims of the  
26 class members. Unlike the other class members in the Lawsuits,  
27 the Paid Plaintiffs purchased the securities at issue  
28 anticipating that the securities would decline in value, in order



1 to position themselves to be named plaintiffs in securities fraud  
2 class actions and to obtain kickback payments from MILBERG WEISS.

3           b. In under-oath testimony given in connection with  
4 such Lawsuits and in written certifications, declarations, and  
5 other documents signed under penalty of perjury in such Lawsuits,  
6 Vogel, Cooperman Plaintiff 1, Cooperman Plaintiff 2, and other  
7 Paid Plaintiffs, acting in concert with MILBERG WEISS, certain of  
8 the Conspiring Partners, and others, falsely denied that they  
9 purchased the securities at issue in the Lawsuits in order to be  
10 named plaintiffs. In truth and in fact, as they well knew, these  
11 Paid Plaintiffs purchased the securities at issue in order to  
12 position themselves to be named plaintiffs in securities fraud  
13 class actions and to obtain kickback payments from MILBERG WEISS.

14           43. After the court in a Lawsuit awarded attorneys' fees,  
15 or was expected to award attorneys' fees, MILBERG WEISS, WEISS,  
16 the other Conspiring Partners, and others arranged for the secret  
17 and illegal kickbacks to be paid to the Paid Plaintiffs. To  
18 conceal and disguise these kickback payments, among other things,  
19 MILBERG WEISS, WEISS, and other of the Conspiring Partners made  
20 and caused kickback payments to be made: (a) in cash given  
21 directly to the Paid Plaintiffs; and (b) by MILBERG WEISS checks  
22 payable to the Intermediary Lawyers or other professionals  
23 selected by the Paid Plaintiffs, who then used and disbursed the  
24 payments at the direction, and for the benefit, of the Paid  
25 Plaintiffs. Additionally, MILBERG WEISS, WEISS, and other of the  
26 Conspiring Partners made and caused to be made other payments at  
27 the direction and for the benefit of LAZAR, including a \$250,000  
28 payment to LAZAR's son and a regular monthly payment to LAZAR's

1 friend.

2 44. Regarding the kickbacks paid to the Paid Plaintiffs in  
3 cash:

4 a. Bershad regularly collected cash to be used to pay  
5 plaintiffs and others from WEISS and other senior partners in  
6 MILBERG WEISS, including Lerach, Partner F, and Partner G;

7 b. WEISS, Bershad, and others obtained and caused to  
8 be obtained the cash in a manner that made the source of the  
9 payments difficult to trace, including from casinos;

10 c. Bershad, acting in concert with WEISS and others,  
11 kept the collected cash in a safe located in a credenza in his  
12 office at MILBERG WEISS;

13 d. In the earlier years of the conspiracy, Bershad  
14 attempted to collect cash from the other Conspiring Partners in  
15 proportion to their partnership interest in MILBERG WEISS;

16 e. On or about January 1, 1986, WEISS, Lerach,  
17 Bershad, and other of the Conspiring Partners caused a provision  
18 to be included in MILBERG WEISS's written partnership agreement  
19 that, among other things, enabled them to use MILBERG WEISS  
20 profits to compensate themselves for the cash they had  
21 contributed to pay plaintiffs and others;

22 f. WEISS, Lerach, Bershad, and the other Conspiring  
23 Partners failed to record their cash contributions or the cash  
24 payments in MILBERG WEISS's accounting books and records.

25 45. Regarding the kickbacks paid by MILBERG WEISS checks  
26 made payable to the Intermediary Lawyers or other professionals  
27 selected by Paid Plaintiffs:

28 / / /

1           a.     MILBERG WEISS, WEISS, Bershad, the other  
2     Conspiring Partners, and others caused such payments to be  
3     falsely characterized in MILBERG WEISS's accounting books and  
4     records as, among other things, referral fees, professional fees,  
5     and "fees to others" paid to the Intermediary Lawyers or other  
6     professionals;

7           b.     MILBERG WEISS, Bershad, Schulman, Partner E, and  
8     others falsely characterized such payments in accompanying cover  
9     letters as, among other things: the Intermediary Lawyer's  
10    "entitlement" for work and responsibility "assumed" in a Lawsuit;  
11    the Intermediary Lawyer's "share" of attorneys' fees for "work,  
12    services, and joint representation" of a Paid Plaintiff in a  
13    Lawsuit; "referral" fees earned by the Intermediary Lawyer in a  
14    Lawsuit; the Intermediary Lawyer's "participation" in  
15    MILBERG WEISS's fee award in a Lawsuit; or made "on account of  
16    cases" that MILBERG WEISS was "doing" with the Intermediary  
17    Lawyer or other professional;

18          c.     MILBERG WEISS, Bershad, and others provided and  
19    caused to be provided false and misleading information to  
20    MILBERG WEISS's outside accountants and tax return preparers  
21    concerning such payments, which helped to disguise them as  
22    legitimate fees paid for the benefit of the Intermediary Lawyers  
23    and other professionals, rather than as illegal kickback payments  
24    for the benefit of the Paid Plaintiffs; and

25          d.     MILBERG WEISS and others issued and caused to be  
26    issued IRS Forms 1099-MISC to the Intermediary Lawyers, which  
27    made it appear as if such payments were legal referral fees for  
28    the benefit of the Intermediary Lawyers.

1        46. After an Intermediary Lawyer or other professional  
2 received a kickback payment from MILBERG WEISS, the  
3 Paid Plaintiff directed the Intermediary Lawyer or other  
4 professional to use and apply such kickback payment for the  
5 benefit of the Paid Plaintiff including, among other things:  
6 (a) to make a payment directly to the Paid Plaintiff; (b) to  
7 satisfy legal fees or expenses that the Paid Plaintiff owed or  
8 would owe to the Intermediary Lawyer; and (c) to pay third  
9 parties to whom the Paid Plaintiff owed money.

10 **III. OVERT ACTS**

11        47. In furtherance of the conspiracy and to accomplish its  
12 objects, defendants MILBERG WEISS, WEISS, and LAZAR, together  
13 with the other Conspiring Partners, the other Paid Plaintiffs,  
14 and others known and unknown to the Grand Jury, committed and  
15 willfully caused others to commit the following overt acts, among  
16 others, in the Central District of California and elsewhere.

17            Overt Act No. 1: In or about August 1979, WEISS told  
18 Bershad that WEISS had entered into an arrangement with LAZAR by  
19 which MILBERG WEISS was to pay LAZAR 10% of its attorneys' fees  
20 in LAZAR's cases, and would make such payment to any intermediary  
21 designated by LAZAR.

22            Overt Act No. 2: In or about the early 1980s, after  
23 Bershad told WEISS and Partner F that paying Florida Plaintiff 1  
24 would violate the laws prohibiting an attorney from paying  
25 someone to induce him or her to bring a lawsuit, WEISS and  
26 Partner F replied, among other things, that because they would be  
27 paying Florida Plaintiff 1 in cash, there would be no paper trail  
28 and therefore there was little risk they would ever be caught.

1           Overt Act No. 3: On or about September 11, 1981, during  
2 an under-oath deposition taken in the Lawsuit Seymour Lazar v.  
3 Hertz Corp., Civ. No. 461200 (San Diego County, California,  
4 Superior Court) ("Hertz"), LAZAR falsely denied that he had any  
5 agreement with MILBERG WEISS to receive any compensation beyond  
6 his pro rata share of the recovery available to all members of  
7 the class.

8           Overt Act No. 4: On or about March 1, 1982, in support  
9 of a request that the court certify the Lawsuit Seymour Lazar et  
10 al. v. Arcata Corp., et al., Civ. No. 257916 (San Mateo County,  
11 California, Superior Court) ("Arcata") as a class action, LAZAR  
12 falsely represented, under penalty of perjury, that he had "no  
13 agreement or understanding to share in the legal fees, if any,  
14 that are awarded to [MILBERG WEISS]."

15           Overt Act No. 5: On or about February 1, 1984, during  
16 an under-oath deposition taken in the Lawsuit Seymour Lazar v.  
17 Unity Buying Service Co., Civ. No. 511287 (San Diego County,  
18 California, Superior Court) ("Unity Buying"), LAZAR falsely  
19 denied that he contemplated sharing in any award of attorneys'  
20 fees in Unity Buying or Arcata.

21           Overt Act No. 6: On or about January 30, 1985, in the  
22 Lawsuit Seymour Lazar v. James D. Sadlier, et al., CV 84-8100-WJR  
23 (United States District Court, Central District of California)  
24 ("Arrays"), MILBERG WEISS and others caused to be filed with the  
25 court a memorandum in support of a request that the court certify  
26 Arrays as a class action, in which they falsely represented that  
27 LAZAR's interests in the Lawsuit were "congruent with and not in  
28 conflict with those of the members of the class."

1           Overt Act No. 7: On or about March 12, 1985, during an  
2 under-oath deposition in Arrays, LAZAR falsely testified that he  
3 had "never, ever received any sums from [MILBERG WEISS]  
4 whatsoever," and falsely denied that he had "any arrangement"  
5 with MILBERG WEISS under which he was "to receive or might  
6 anticipate receiving any of the award in [Arrays] aside from  
7 [his] own personal recovery as a plaintiff."

8           Overt Act No. 8: On or about December 11, 1985,  
9 MILBERG WEISS and others caused to be filed with the court an  
10 amended class action complaint in the Lawsuit In re Beverly Hills  
11 Savings and Loan Ass'n Securities Litigation, No. CV 85-2702-RMT  
12 (United States District Court, Central District of California)  
13 ("Beverly Hills Savings"), naming LAZAR as a plaintiff, in which  
14 they falsely represented, among other things, that LAZAR had "no  
15 interests which are contrary to or in conflict with" the absent  
16 class members.

17           Overt Act No. 9: In or about the mid-1980s, WEISS  
18 carried thousands of dollars in cash from New York to  
19 Florida Plaintiff 1 and Florida Plaintiff 2 in Florida to  
20 compensate them for serving as named plaintiffs for  
21 MILBERG WEISS.

22           Overt Act No. 10: On or about January 1, 1986, WEISS,  
23 Lerach, Bershad, and other of the Conspiring Partners caused to  
24 be included in MILBERG WEISS's first formal partnership agreement  
25 a provision that enabled the Conspiring Partners, every year, to  
26 use MILBERG WEISS profits to compensate themselves for the cash  
27 they had each contributed that year to pay plaintiffs and others.



1           Overt Act No. 11: On or about June 19, 1986, during an  
2 under-oath deposition in Beverly Hills Savings, LAZAR falsely  
3 testified that he had no understanding by which he would receive  
4 "any monetary advantage or any monetary sum" other than his pro  
5 rata share of the recovery available to all plaintiffs in the  
6 lawsuit.

7           Overt Act No. 12: On or about June 29, 1987, at LAZAR's  
8 direction, WEISS and Bershad caused MILBERG WEISS to send Selzer  
9 and the Palm Springs Law Firm a \$50,000 check, with a cover  
10 letter falsely describing the payment as fees to Selzer and the  
11 Palm Springs Law Firm "in furtherance of arrangements made" with  
12 regard to the Lawsuit "Lazar v. British Petroleum."

13           Overt Act No. 13: In or about December 1987, WEISS  
14 caused MILBERG WEISS to pay him approximately \$90,000 to  
15 compensate him for having contributed cash during the year 1987  
16 used to pay plaintiffs and others.

17           Overt Act No. 14: Between in or about April and  
18 November 1988, Lerach told Cooperman that MILBERG WEISS would pay  
19 him and Cooperman Plaintiff 1 a percentage of MILBERG WEISS's fee  
20 in the Lawsuit Steven Cooperman, et al. v. The Newhall Land and  
21 Farming Co., No. CA001093 (Los Angeles County, California,  
22 Superior Court) (related to Steven Cooperman, et al. v. The  
23 Newhall Land and Farming Co., No. CV 88-3137-FW (United States  
24 District Court, Central District of California)) (collectively  
25 "Newhall Land"), the first case in which Cooperman and Cooperman  
26 Plaintiff 1 served as plaintiffs for MILBERG WEISS.

27           Overt Act No. 15: On or about November 3, 1988,  
28 MILBERG WEISS and others caused to be filed with the court a

1 sworn affidavit in support of a request that the court certify  
2 the Lawsuit A. Jacques Lou v. Ashland Oil, Inc., et al., No. 86  
3 Civ. 5304 (RWJ) (United States District Court, Southern District  
4 of New York) ("Ashland Oil") as a class action, in which they  
5 falsely represented that LAZAR's wife, who was a named plaintiff  
6 in the action, had "no conflict of interest" with "the other  
7 investors whom plaintiff seeks to represent."

8 Overt Act No. 16: In or about December 1988, WEISS  
9 caused MILBERG WEISS to pay him approximately \$107,000 to  
10 compensate him for having contributed cash during the year 1988  
11 used to pay plaintiffs and others.

12 Overt Act No. 17: In or about late 1988, Cooperman told  
13 Lerach that he wanted to be paid his share of MILBERG WEISS's  
14 attorneys' fees in Newhall Land quickly.

15 Overt Act No. 18: In or about early 1989, Lerach told  
16 Cooperman and Cooperman Plaintiff 1 that they would receive  
17 approximately 5% to 10% of MILBERG WEISS's attorneys' fees in  
18 Newhall Land; that MILBERG WEISS would pay Cooperman and  
19 Cooperman Plaintiff 1 5% to 10% of MILBERG WEISS's attorneys'  
20 fees in future cases that they brought to the firm; and that  
21 Cooperman and Cooperman Plaintiff 1 should purchase stocks in  
22 companies in order to position them and MILBERG WEISS to file  
23 lawsuits in the future.

24 Overt Act No. 19: In or about early 1989, WEISS,  
25 Lerach, and Bershad agreed that WEISS would pay Cooperman for  
26 having served as a plaintiff in Newhall Land by disguising the  
27 payment as a refundable option on a painting Cooperman owned.

28



1           Overt Act No. 20: On or about January 24, 1989, WEISS  
2 traveled from New York to Los Angeles, intending to pay Cooperman  
3 the phony art option payment described in Overt Act No. 19.

4           Overt Act No. 21: On or about January 27, 1989, WEISS  
5 gave Cooperman a personal check in the amount of \$175,000,  
6 disguised as a phony refundable option payment on Cooperman's  
7 Picasso, "Reclining Nude" (1932).

8           Overt Act No. 22: Thereafter, in or about early 1989,  
9 Cooperman paid Cooperman Plaintiff 1 his share of the \$175,000  
10 kickback proceeds that Cooperman had received from WEISS for  
11 serving, with Cooperman Plaintiff 1, as a named plaintiff in  
12 Newhall Land.

13           Overt Act No. 23: In or about February 1989, WEISS,  
14 Lerach, and Bershad agreed that MILBERG WEISS would pay Cooperman  
15 \$175,000 through Cooperman's brother-in-law, and Cooperman would  
16 use this money to reimburse WEISS for the phony refundable option  
17 payment.

18           Overt Act No. 24: On or about March 29, 1989,  
19 MILBERG WEISS and others sent to Cooperman's brother-in-law a  
20 \$35,000 check, with a cover letter falsely describing the payment  
21 as Cooperman's brother-in-law's "retainer with work performed and  
22 to be performed with regard to [Liberty All-Star]."

23           Overt Act No. 25: On or about April 21, 1989,  
24 MILBERG WEISS and others sent to Cooperman's brother-in-law a  
25 \$25,000 check, purportedly as a "retainer" in a case called  
26 "Brinkmann Instruments, Inc.."

27           Overt Act No. 26: On or about May 17, 1989,  
28 MILBERG WEISS and others sent to Cooperman's brother-in-law a

1 \$40,000 check, purportedly as a "retainer" in a case called "MDC  
2 Corporation."

3 Overt Act No. 27: On or about May 19, 1989,  
4 MILBERG WEISS and others sent to Cooperman's brother-in-law a  
5 \$40,000 check, purportedly as a "retainer" in a case called  
6 "Imperial Bank."

7 Overt Act No. 28: On or about June 14, 1989, Cooperman  
8 sent WEISS a personal check in the amount of \$65,000.

9 Overt Act No. 29: On or about June 19, 1989, Cooperman  
10 caused his brother-in-law to pay \$65,000 of the proceeds of the  
11 MILBERG WEISS checks described in Overt Act Nos. 24-27 to a  
12 company controlled by Cooperman.

13 Overt Act No. 30: On or about June 24, 1989, Cooperman  
14 caused his brother-in-law to pay \$60,000 of the proceeds of the  
15 MILBERG WEISS checks described in Overt Act Nos. 24-27 to a  
16 company controlled by Cooperman.

17 Overt Act No. 31: On or about August 17, 1989,  
18 MILBERG WEISS and others sent to Cooperman's brother-in-law a  
19 \$10,000 check, purportedly as a "retainer" in a case called  
20 "Citytrust Litigation."

21 Overt Act No. 32: On or about August 18, 1989,  
22 Cooperman sent WEISS a personal check in the amount of \$35,000.

23 Overt Act No. 33: On or about August 28, 1989,  
24 Cooperman caused his brother-in-law to pay \$10,000 of the  
25 proceeds of the MILBERG WEISS checks described in Overt Act  
26 Nos. 24-27 and 31 to a company controlled by Cooperman.

27 Overt Act No. 34: On or about September 27, 1989,  
28 Cooperman sent WEISS a personal check in the amount of \$25,000,

1 along with a cover letter stating, "I think we're almost there. .  
2 . . ."

3 Overt Act No. 35: On or about October 24, 1989, in an  
4 under-oath deposition in Ashland Oil, MILBERG WEISS, LAZAR, and  
5 others caused LAZAR's wife to deny falsely that she had any  
6 "financial interest in the outcome of this lawsuit, other than  
7 what [she would] receive as damages if [her] individual complaint  
8 [was] successful."

9 Overt Act No. 36: On or about November 2, 1989,  
10 Cooperman Plaintiff 1 subscribed under penalty of perjury to  
11 Answers to Interrogatories in the Lawsuit [Cooperman  
12 Plaintiff 1], at al. v. Charles H. Keating Jr., et al.,  
13 No. CV 89-2052-SVW (United States District Court, Central  
14 District of California) (related to [Cooperman Plaintiff 1], et  
15 al. v. Lincoln Savings and Loan Ass'n, et al., No. 90-567-RMB  
16 (United States District Court, District of Arizona)) ("American  
17 Continental/Lincoln Savings"), which falsely concealed that  
18 Lerach had discussed with Cooperman Plaintiff 1 purchasing  
19 American Continental stock to position MILBERG WEISS to file a  
20 lawsuit.

21 Overt Act No. 37: On or about December 6, 1989,  
22 Cooperman sent Lerach a letter describing and enclosing copies of  
23 the three checks Cooperman had written to WEISS, described in  
24 Overt Act Nos. 28, 32, and 34.

25 Overt Act No. 38: In or about December 1989, WEISS  
26 caused MILBERG WEISS to pay him approximately \$183,000 to  
27 compensate him for having contributed cash during the year 1989  
28 used to pay plaintiffs and others.

1           Overt Act No. 39: On or about February 8, 1990,  
2 MILBERG WEISS and others sent to Cooperman's brother-in-law a  
3 \$35,000 check, purportedly as a "retainer" in connection with  
4 "Lone Star Industries."

5           Overt Act No. 40: On or about February 28, 1990,  
6 Cooperman subscribed under penalty of perjury to interrogatory  
7 responses in the Lawsuit Steven Cooperman et al. v. Columbia  
8 Savings and Loan Ass'n, et al., No. CV 89-6538-SVW (United States  
9 District Court, Central District of California  
10 ("Columbia Savings"), in which, among other things, he falsely  
11 stated in response to a question whether he had any "agreement,  
12 arrangement, expectation, intention, or understanding . . . with  
13 respect to receiving any payment or consideration different from  
14 the payment or consideration that may be received by other  
15 members of the putative class as a result of this litigation" the  
16 following: "I will not be treated differently than any other  
17 class member regarding any recovery."

18           Overt Act No. 41: On or about June 12, 1990,  
19 MILBERG WEISS and others sent to Cooperman's brother-in-law a  
20 \$25,000 check, purportedly as "payment" for his "activities and  
21 report" in connection with a case called "Hyatt Union Square  
22 Litigation."

23           Overt Act No. 42: On or about June 28, 1990, in an  
24 under oath deposition in Columbia Savings, Cooperman concealed  
25 his kickback arrangement with MILBERG WEISS.

26           Overt Act No. 43: On or about July 17, 1990, in an  
27 under oath deposition in the Lawsuit Steven G. Cooperman v.  
28 Fairfield Communities, Inc., et al., No. LR-C-90-464 (United

1 States District Court, Eastern District of Arkansas) ("Fairfield  
2 Communities"), Cooperman falsely denied that he had received any  
3 benefit in connection with Newhall Land other than those paid to  
4 all shareholders.

5 Overt Act No. 44: In or about November 1990, Lerach and  
6 Bershad asked Cooperman about the status of Cooperman's repayment  
7 of the phony art option to WEISS.

8 Overt Act No. 45: On or about November 15, 1990,  
9 Cooperman telefaxed to Bershad a note in which he stated:

10 "This is what I've found so far. I faxed Bill copies  
11 of 3 checks in 12/89 . . . . According to my records, after  
12 12/89, Mel sent Bruce another 35,000, & I think I may still  
owe that to Mel."

13 Overt Act No. 46: On or about November 16, 1990, in an  
14 under oath deposition in the Lawsuit Steven Cooperman v. Valley  
15 National Corp., et al., No. CIV 89-1733 PHX (United States  
16 District Court, District of Arizona) (related to Hoexter v.  
17 Simmons, No. CIV 89-1069-RHB (United States District Court,  
18 District of Arizona)) ("Valley National"), Cooperman falsely  
19 denied that he had received any payment for serving as a  
20 plaintiff in the Newhall Land lawsuit and concealed his  
21 expectation that MILBERG WEISS would pay him for being a class  
22 representative in Valley National.

23 Overt Act No. 47: On or about November 29, 1990,  
24 Cooperman subscribed under penalty of perjury to Answers to  
25 Interrogatories in Fairfield Communities, falsely stating, among  
26 other things, that Cooperman had "at no time received any bonus  
27 or incentive payment as a result of being named as a plaintiff in  
28 any class or derivative actions."

1           Overt Act No. 48: On or about March 22, 1991, in an  
2 under oath deposition in the Lawsuit Steven G. Cooperman, et al.  
3 v. Jan Bell Marketing, Inc., No. 90-6183-Civ-Gonzalez (also known  
4 as In re: Jan Bell Marketing Securities Litigation) (United  
5 States District Court, Southern District of California) ("Jan  
6 Bell"), Cooperman falsely testified, among other things, that in  
7 other lawsuits in which he had been a named plaintiff for  
8 MILBERG WEISS he had never received any money other than his  
9 shareholder portion of the settlements, and that "whatever the  
10 court awards as compensation or a judgment," he would "collect  
11 [his] share based on how much stock [he] bought."

12           Overt Act No. 49: On or about April 22, 1991, in an  
13 under oath deposition in American Continental/Lincoln Savings,  
14 Cooperman Plaintiff 1 falsely stated, among other things, that he  
15 would not receive any payment from any source in exchange for  
16 serving as a named plaintiff in the American Continental/Lincoln  
17 Savings lawsuit; and that he did not receive any compensation in  
18 Newhall Land beyond that which he received as a member of the  
19 class.

20           Overt Act No. 50: On or about April 25, 1991, in a  
21 written document that LAZAR verified under penalty of perjury in  
22 the Lawsuit Seymour Lazar v. New Image Industries, Inc., et al.,  
23 No. CV 90-6345-ER (United States District Court, Central District  
24 of California) ("New Image"), MILBERG WEISS and LAZAR falsely  
25 represented that LAZAR had never received any compensation from  
26 MILBERG WEISS or any of its partners, and that his "claims do not  
27 in any manner conflict with, or are . . . antagonistic to, those  
28 of the class."